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SUBJECT: A Manpower Control Program for the Clandestine Services
Career Service

INTRODUCTION

1. Our statistical studies of Agency manpower have led us to the conclusion that the Clandestine Services Career Service will not be able to maintain its present level of operational activity unless steps are taken to provide for the recruitment into it annually of a substantial number of capable young officers and for their advancement at a reasonable pace. To be able to recruit these young officers, the service must separate an equal number annually. To be able to promote them, a means must be found to effect such separations among personnel occupying medium and higher grades. Attrition does not at present accomplish this nor will it in the future.

2. In addition to this basic and long-range problem, the Clandestine Services are confronted with problems arising from the present distribution of male officers by age and grade. Forecasts based on the present recruitment rates, the effect of ceiling, the distribution of male officers in grade GS-9 and above (not including TSS personnel), present attrition rates, and on the effect of the operation of the Civil Service retirement program show that

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the Clandestine Services will be staffed by a predominantly old group of employees by 1974. (Tab A)

3. Faced with this prospect, it is clear that the Clandestine Services must take steps to achieve an acceptable distribution of personnel by age groups and must also be equipped with the legal and administrative authority needed to maintain such a distribution. As a first step, we have drawn up what would appear to be a reasonable distribution of Clandestine Services personnel by age groups and also a distribution of positions or spaces by grades. As will be seen in Tab B, these two distributions are markedly different from those that obtain at present. The age distribution table provides for the introduction into the service of approximately 145 men per annum, it accounts for natural attrition, it provides for selection out of persons ill-adapted to clandestine work up to age 35 and for the annual forced separation of a percentage of those past age 50. The grade distribution is arranged to permit the progressive advancement of officers in the service. Its operation is dependent on the intake and separation rates described above and on adherence to preestablished promotion rates. Rates of promotion as given in Tab B are standard rates. Exceptions will be necessary in order to place the most capable men in positions of leadership at reasonably early stages in their careers.

4. These distributions must be restudied and amended from time to time. The size of the Clandestine Services and the direction of its operational

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interests may be expected to change. The grade structure proposed may, after further study, be regarded as unworkable. However, the principles that underlie these distributions will not change and any effort to provide the Clandestine Services with a stable work force will have to be aimed in this general direction. For the sake of the argument in this paper, it is proposed that the distribution goals be accepted tentatively. They will be referred to as "controlled staffing."

5. Having agreed to "controlled staffing" as a desirable goal, the question of converting to and then being in a position to maintain it must be considered. The answer to this question must encompass:

- a. the legal authorities required to separate personnel involuntarily and to grant separation pay or annuities to those who qualify for such consideration;
- b. the procedures to be followed in identifying personnel to be separated and those to be granted benefits;
- c. a time table for accomplishing the conversion;
- d. an estimate of the effect of conversion on morale and on the Agency's efforts to recruit personnel; and,
- e. the way in which the manpower control program will be related to existing personnel procedures.

LEGAL AUTHORITY

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LEGAL AUTHORITY

6. It is our understanding that section 102(c) of the National Security Act of 1947, as amended, contains the authority necessary to separate any surplus personnel. General Counsel has asked the Justice Department and the Civil Service Commission to comment on this interpretation of the law. Their replies confirm our understanding.

7. We intend as a next step to submit to them the procedures which we will recommend that the Director of Central Intelligence approve. At this stage we will make clear to them that we include in the category "surplus" those individuals who are part of the hump and do not therefore restrict this category to those affected by an overall organizational reduction in staff strength.

8. If it develops that section 102(c) does not provide the authority needed to deal with the hump, then such authority will be sought in special legislation.

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9. It ~~has~~ been our opinion that the Agency would have to request special "hump" legislation in order to be in a position to grant separation pay and to provide payment of annuities to deserving persons separated in the process of converting to controlled staffing. The Navy has obtained legislation of this nature and Mr. Joseph Winslow of the White House staff has suggested that we consider doing so. It is, however, possible that the existing authorities of the

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Director of Central Intelligence are sufficiently broad to permit him to authorize separation pay. By using this device in combination with the established Civil Service procedures which provide for the payment of reduced annuities to certain categories of personnel involuntarily separated from Government service, we may be able to deal with this aspect of the problem (at least for the time being) without having to request special legislation.

10. The reason for proposing that existing authorities be used, if possible, to solve the problem of paying benefits is that "hump" legislation is temporary in nature. This point will be developed further in the discussion of timing.

PROCEDURES

11. Before describing the procedures to be followed in identifying personnel to be separated and those to be granted benefits, a word about the relationship that exists between these two actions. The selection out procedures followed by the military services and the Foreign Service as well as those foreseen in the "hump" legislation granted to the Navy tie together into one action, the identification of the individual to be separated and the authorization of benefits. One follows the other automatically. CIA cannot do this because within CIA there is no pre-established group to which benefits can be automatically granted. CIA does not have a commissioned service. The Career Staff of CIA is too broad, the Clandestine Services Career Service too

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informal to qualify in this sense. It is for this reason that proposals relating to early retirement in CIA have, up to the present, included qualifying standards. [The one currently under consideration calls for 20 years of Government service, 10 years overseas, and 50 years of age.] It follows, therefore, that in the process of converting the Clandestine Services to controlled staffing the identification of individuals to be separated and those to be granted benefits will have to be accomplished in two distinct actions. Not all of those separated will qualify for benefits.

12. Since the procedures followed in identifying personnel to be separated will be distinct from those having to do with the granting of benefits, there is no reason to attempt to distinguish between personnel being separated for the purpose of converting to controlled staffing on the one hand and those who may be separated in consequence of a general reduction in strength or change in mission or function on the other. In fact, any attempt to make such distinctions and to provide benefits in one case and not in the other would involve the Agency in gross inequities. Benefits can be justified in terms of the length, nature, and circumstances of a man's service and not in terms of the administrative need of the Agency that caused his separation.

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13. Thus, it is proposed that the procedures proposed in [REDACTED], Reduction of Surplus Personnel (Tab C), be used in identifying personnel for separation. Categories to be reduced by grade, age group, and, if need be, by field of

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specialization can be established annually. The procedures established in this regulation can be applied to any defined category of personnel.

25X1A 14. [REDACTED] provides standards and procedures to be used in identifying those individuals to whom benefits may appropriately be granted from among the total number being separated as "surplus" to the Agency's needs. We regard this regulation as a most important step forward in our system of personnel management in that it provides certain basic minimum guarantees to the man who makes intelligence and covert operations his profession, and it does not tie these to the nature of the action that might result in his separation (except insofar as he may be separated involuntarily under [REDACTED]). It is a logical and thoroughly warranted extension of our employment contract.

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TIMING

15. A close look at the distribution of Clandestine Services men by age and grade suggests that a single effort to convert to controlled staffing, i.e., one based on temporary hump legislation, would create an awkward situation. It would appear, for example, that a number of men in their thirties should be separated as soon as possible; for their sake (for if they must go, the sooner the better) and for the sake of sound administration, for they occupy the grades (GS-12 and 13) that most badly need to be reduced in number. On the other hand, it is evident that beginning three years from now and during the subsequent

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period of five years or so, a very considerable percentage of the men who occupy the middle and higher grade in the service will have completed twenty years of service and have reached age fifty. It seems only right to postpone any large scale thinning out of this group until its members have reached the age at which the granting of an annuity would be appropriate. Then, finally, although the long-term needs of the service require conversion to "controlled staffing" the operational needs of the next five to ten years may very well dictate that the conversion be undertaken gradually, that useful men (including those in their thirties, forties, and fifties) be retained after the day they enter the statistical "surplus" zones.

EFFECT ON MORALE AND ON RECRUITING

16. The traditional approach to a large scale reduction or staffing change is to do it as quickly as possible, and then start afresh. Take your public beating, and expect that the incident will soon be forgotten. This approach has merit and should be followed in solving part of the problem of the clandestine services. There should, in other words, be one "reduction of surplus personnel" and every effort should be made to include in it all persons who can be spared at that time. This would then be followed by a lively selection-out and early retirement program which would meet the further requirements of the service.

a. It is our opinion that the initial sizeable separation action will have a profound effect on morale. The Clandestine Services Career

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Service is a tightly knit group. Popular officers will of necessity be included among those to be separated. At the same time there is a strong feeling of frustration widespread among the best Clandestine Services officers which has its origin in the Agency's apparent inability to solve the manpower problem. In balance, it is our estimate that no permanent harm will be done to the Clandestine Services by undertaking a broad separation action.

b. Annual selection out will never be popular. It is not popular among those services that practice it. It will be an obstacle to recruitment, but one that can be met. Over a period of time, we will be able to develop and expand information programs and services that will help employees adjust their thinking to selection out.

In fall, 1958, General Counsel discussed this precise point with [REDACTED] X1C8c

25X1C8c [REDACTED] in connection with their [REDACTED] which has sub- 25X1C8c

25X1C8c stantially the same impact. [REDACTED] said they had been much concerned about the effect of this program on recruiting and from the start made it a practice to inform prospective employees precisely how the program worked and its possible effect on their careers. His conclusion was that those who were bothered by such a program were probably the type he did not want and the good men accepted it as being a necessary part of good personnel management.

MANPOWER CONTROL PROGRAM AS RELATED TO EXISTING PERSONNEL PROCEDURES

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MANPOWER CONTROL PROGRAM AS RELATED TO EXISTING PERSONNEL PROCEDURES

17. The manpower control program required by the Clandestine Services can be fitted into existing and proposed procedures. An outline of the steps to be followed annually will illustrate how it is proposed that this be done:

a. Determination of number of persons to be separated annually by the Clandestine Services Career Service.

It is proposed that this be done at the time that the Career Service Staffing Authorization is reviewed. The following factors will be taken into consideration:

(1) Input rate of 145 per year.

(2) Extent to which the Clandestine Services can accept overall reduction in interests of manpower adjustment (elimination of age and grade humps).

(3) Extent to which the Clandestine Services must reduce for budgetary, etc., reasons.

(4) Elimination of positions and categories of positions in the interests of efficiency.

b. Forecast of anticipated attrition by grade and category and determination of net reduction goals for each.

c. Approval of categories and goals by the Director of Central Intelligence.

d. Application of Agency reduction in staff procedures for

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purpose of establishing lists of personnel to be separated (Tab D).

e. Review of all candidates for separation by the Director of Personnel to determine benefits to be paid (Tab E).

f. Separation and payment of benefits in cases justified.

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